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UNIVERSITY OF N.C. AT CHAPEL HILL



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A BILL TO BE ENTITLED AN ACT TO
AUTHORIZE A SALE ... IN
THE CAPE FEAR AND YADKIN
VALLEY RAILROAD COMPANY

2100 Papers of Calvin C. Coker

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C23n2

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE
A SALE AND TRANSFER OF THE STOCK OWNED
AND HELD BY THE STATE IN THE CAPE FEAR
& YADKIN VALLEY RAILROAD COMPANY.

The General Assembly of North Carolina do enact :

SECTION 1. That it shall be lawful for, and shall be the
2 duty of, the Commissioners hereinafter named to sell
3 and transfer on the books of the Cape Fear & Yadkin
4 Valley Railroad Company the fifty-five hundred (5500)
5 shares owned and held in said railroad company by the
6 State of North Carolina to the South Atlantic & Ohio
7 Railway Construction and Operating Company, incor-
8 porated by an Act ratified on the 4th day of February,
9 1881, upon the terms and conditions following, that is
10 to say: That on or before the 1st day of July, 1881, the
11 said purchasing company shall pay into the Treasury
12 of the State the sum of fifty-five thousand dollars, in law-
13 ful money of the United States, for which sum when so
14 paid the Treasurer shall execute and deliver to said
15 purchasing company a receipt, provided said company
16 shall at the same time deliver to the Treasurer an obli-
17 gation in writing, signed by its President and attested
18 by its Secretary, with the seal of the company, agreeing
19 in substance and effect following, to-wit: That the stock
20 for which certificates shall be issued to the South At-
21 lantic and Ohio Railway Construction Company shall be
22 delivered to the State Treasurer, to be by him safely held
23 and kept in trust, as security that the said purchasing
24 company will perform the following conditions upon
25 which said sale is made to them; that they will *bona fide*
26 construct and put in actual operation, before the first day
27 of July, 1883, the Western portion of said road to a con-
28 nection with the line said purchasing company propose

29 to construct under their own charter from the Tennessee
30 and North Carolina State line to some convenient point
31 at the Eastern base of the Blue Ridge mountain; and
32 that within the same period they will construct an Eastern
33 extension and put it in operation from Fayetteville
34 to some point to be selected by them on the shore of
35 Wilmington harbor: and further, that they will construct
36 and put in operation a branch from the main line
37 somewhere West of Greensboro into the county of Surry
38 and as near to the town of Mount Airy as may be practicable
39 for a railway route and station, before the 1st day
40 of July, 1884: that if said South Atlantic & Ohio railway
41 Construction and Operating Company shall fail to
42 fulfil and perform any of the conditions aforesaid within
43 the time aforesaid, then and in that event their title to
44 said fifty-five hundred shares of stock so purchased from
45 the State shall cease and determine, and it shall be the
46 duty of the Treasurer of the State to notify the Commissioners
47 of such default and failure, and deliver to them the
48 certificates for all of said stock, and it shall be their duty,
49 and they are hereby authorized and directed to transfer
50 said stock on the books of the Cape Fear & Yadkin Valley
51 Railroad Company back to the State of North Carolina,
52 whose title thereto shall never afterwards be questioned
53 before any Court or tribunal, State or Federal:
54 and the fifty five thousand dollars of purchase money
55 paid for said stock shall be held forever by the State as
56 agreed and liquidated damages to be paid by the purchasing
57 company for its default in the fulfilment and performance
58 of its agreement with the State to complete and equip said
59 road as hereinbefore provided for. But
60 if on the 1st day of July, 1884, the said purchasing company
61 shall in fact have complied with all the conditions
62 aforesaid, and be then in fact running trains over the
63 Eastern and Western extensions from the base of the
64 Blue Ridge to Wilmington Harbor, and on the branch

65 to or near Mt. Airy, it shall be the duty of the Treasurer
 66 to deliver the whole of said stock to said Company with-
 67 out further conditions of any kind, and after such de-
 68 livery, if a majority of the stockholders so decide in
 69 general meeting of the Cape Fear & Yadkin Valley Rail-
 70 road Company, it shall be lawful to merge and consoli-
 71 date said company into the South Atlantic & Ohio Rail-
 72 road Company on such terms and conditions as may be
 73 agreed upon between the two companies.

SEC. 2. The vote to which the purchasers of said State
 2 stock shall be entitled in said company, after they com-
 3 mence the work of construction as aforesaid, shall be
 4 the same that the State is entitled to under the present
 5 charter of the Cape Fear and Yadkin Valley Railroad
 6 Company in all meetings that may be held. But after
 7 the final delivery by the Treasurer of said stock, it shall
 8 stand upon the same footing as all other private stock.

SEC. 3. The gauge of said railroad shall be at all times
 2 entirely subject to the control of a stock-holders' meet-
 3 ing of the Cape Fear & Yadkin Valley Railroad Com-
 4 pany; and in like manner all questions of connections,
 5 running arrangements and tariff rates, with connecting
 6 roads, shall be under the control of the company, pro-
 7 vided that in the establishment of rates no discrimina-
 8 tions shall be made on North Carolina freights or
 9 travel against any point of traffic or travel in the State
 10 and in favor of places beyond the State.

SEC. 4. To afford the said purchasing company all
 2 the facilities for the fulfillment of their obligations, they
 3 shall have the right to subscribe for stock in the Cape
 4 Fear & Yadkin Valley Railroad Company on the same
 5 terms as other private stockholders for such amount as
 6 they may deem sufficient to complete their undertaking.
 7 And the State agrees not to interfere with existing ar-
 8 rangements respecting convict labor on said road; and
 9 further, that as additional convicts may become availa-

ble, either by new commitments to the penitentiary or the return of convicts by other companies now entitled to or working them, the State will hire them to said company on the usual terms in such cases, the said company agreeing to pay the earnings of the said convicts in money monthly as the same falls due.

SEC. 5. If the South Atlantic and Ohio Railway Construction and Operating Company shall fail or refuse to complete the purchase of the State's interest aforesaid on or before the 1st day of July, 1881, in the manner and form hereinbefore provided, then it shall be lawful for said Commissioners to sell said stock, at not less than the price herein mentioned to any other company, or private parties who will give adequate security to complete the road east and west, and the branch to Surry as hereinbefore set forth, within a period not exceeding three years from the date of sale to them.

SEC. 6. The following named gentlemen are hereby created a Board of Commissioners to carry out the provisions of this act, and they, or so many of them as may accept, shall be invested with full powers to do whatever is necessary to be done in the premises to give full force and effect to this act, to-wit:

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SEC. 7. This act shall be in force from its passage.

